

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

The Finance and Administrative Services Department is responsible for administration of the financial affairs and internal support activities of the City; provision of financial support services to all City departments and programs; management of the annual independent audit; and administration of the Information Services, Document Processing, Purchasing and Risk Management functions. The department also provides staff support to the Council Finance Committee, Investment Review Committee and the Council Technology Committee.

ADMINISTRATION

Administration is responsible for the management of the Finance and Administrative Services Department.

FINANCIAL MANAGEMENT DIVISION

The Financial Management Division consists of the Budget and Analysis, Treasury, Payroll and Revenue functions.

The Budget and Analysis Section provides analytical and informational support to the City Council and other City departments as needed. This section analyzes economic trends and forecasts revenues, expenditures and balances for the current year as well as future years. In addition, Budget and Analysis manages the budget system and produces the Narrative, Proposed and Adopted Budget documents.

The Treasury Section is responsible for cash flow and portfolio management, investment of City funds and monitoring of special assessment districts.

The Payroll Section processes timecards; payroll documents and biweekly payroll for all City employees; and prepares reports relating to retirement, insurance, deferred compensation and taxes.

The Revenue Section processes billing and collection for the City's water, wastewater and solid waste utilities; business licenses; and miscellaneous accounts receivable. All moneys due to, or collected by, other City departments are forwarded to this section for deposit and tracking in the City's financial system. In addition, this section is the Finance and Administrative Services Department's primary customer service contact point.

ACCOUNTING DIVISION

The Accounting Division manages and maintains the general accounting and financial records of the City. This division is also primarily responsible for the external audit of the City's financial records and preparation of the Comprehensive Annual Financial Report. The Accounts Payable function within the Accounting Division matches and reconciles all invoices, purchase requisitions, purchase orders, contracts and agreements prior to processing payments of City obligations.

ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division manages centralized information systems, support services and purchasing activities of the City.

The Information Services Section plans, maintains and manages the City's computerized information systems and communication networks. Services include systems analysis and design, project management, programming, computer operations, training, computer equipment maintenance, software selection, vendor management and web site development and support.

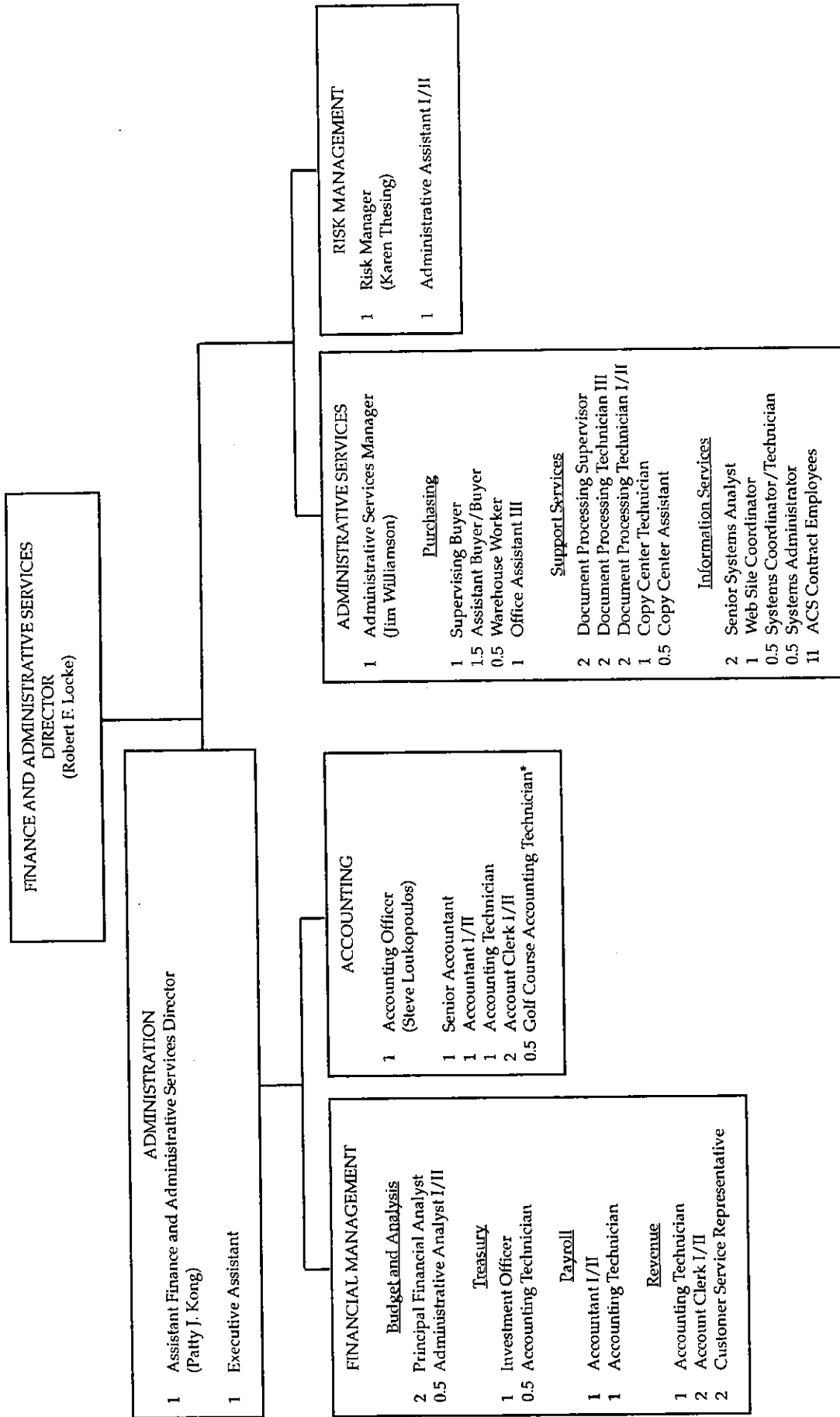
The Support Services Section provides document processing, graphic design, printing, document reproduction, telecommunications and other administrative services to City departments.

The Purchasing Section assures acquisition of price-competitive equipment, services and supplies for City departments. Other services include issuing requests for bid; vendor selection; equipment, supplies and mail delivery; warehousing of operating inventories; training; and sale of surplus equipment.

RISK MANAGEMENT DIVISION

Risk Management is responsible for managing the City's loss control and risk reduction programs. The City's risk exposures are managed by acquiring insurance, requiring vendors to have insurance and assisting in the maintenance of a safe workplace. This program encompasses the City's comprehensive general liability; property; loss control; workers compensation; long-term disability; and unemployment programs, including the City's self-insurance reserves and excess catastrophic coverage. Risk Management is also responsible for State and OSHA reports and provides guidance to City departments in determining insurance requirements for contracts.

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT



FISCAL YEAR 2003-04 POSITION TOTALS:

35.0	Full-Time
3.5	Permanent Part-Time
11.0	Contract

*Located in the Finance and Administrative Services Department but budgeted in the Community Services Department.

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT SUMMARY

DEPARTMENT MANAGER—FINANCE AND ADMINISTRATIVE SERVICES DIRECTOR

DEPARTMENT MISSION STATEMENT

To support the planning and management of the City's fiscal affairs and to provide internal administrative services to all City departments.

DEPARTMENT FUNCTIONS

- Plan, monitor and report in a timely and accurate manner the City's financial and budgetary position; provide financial analysis and recommendations on major issues facing the City. (M 1)
- Manage the City budget process and produce the annual City budget.
- Manage investment of City funds with the objectives of meeting cash flow requirements and minimizing risk while earning market rates of return. (M 2)
- Manage the City's debt obligations, including special assessment debt; monitor and manage the City's credit rating; recommend and supervise issuance of new debt as appropriate.
- Provide timely, accurate and cost-efficient payroll processing. (M 3, 4, 5)
- Process and collect charges for utility and miscellaneous services, providing a high level of accuracy and customer service to residents and businesses. (M 6, 7)
- Manage the City's centralized financial and budgetary control systems, delivering accurate and timely processing of financial transactions and on-time information. (M 8, 9, 11)
- Assist with the City's annual independent audit; and prepare the Comprehensive Annual Financial Report, required State reports and other reports as necessary.
- Provide centralized purchasing services and sale of surplus equipment. (M 12, 13)
- Manage and support the planning, development, operation and enhancement of information systems, providing a reliable City-wide network, electronic mail, public access, City Internet web site, microcomputer support and technical support of computer applications in City departments. (M 14, 15)
- Provide centralized document processing, document reproduction and voice mail services. (M 16, 17)
- Manage the City's comprehensive general liability, property, loss control, Workers' Compensation, long-term disability and unemployment insurance programs, including self-insurance programs and excess insurance for catastrophic loss coverage. (M 18, 19, 20)

FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT SUMMARY

MAJOR DEPARTMENTAL GOALS/STRATEGIES FOR FISCAL YEAR 2003-04

- Coordinate and manage preparation of Fiscal Year 2003-04 City Operating Budget.
- Complete financing plan for the California/Bryant Parking Structure, including issuance of long-term debt.
- Complete implementation of financing plan for water system storage capacity expansion and other improvements by issuing debt as appropriate.
- Closely monitor and report on developments at the State and local level affecting City finances and the status of revenue collections during the fiscal year, and implement any follow-up actions necessary.
- In conjunction with the Employee Services Department, implement Phase II of the new HR/Payroll system.
- Manage adjustments to department operations in response to budget reductions.
- Complete the Shoreline Community long-term financial plan and service agreement between the City of Mountain View and the Shoreline Regional Park Community.
- Install replacement document imaging system providing easier public access to City documents with enhanced Internet functionality.

PERFORMANCE/WORKLOAD MEASURES

	2001-02 Target	2001-02 Actual	2002-03 Target	2002-03 Actual	2003-04 Target
Financial Management:					
1. Accuracy of final budget numbers—percent of budget corrections needed due to error	<2%	1.5%	<2%	1.2%	<2%
2. Percent of time portfolio's market risk target (modified duration) is within:					
— 3 percent of the benchmark (policy requires 25 percent of time within 3 percent)	>50%	83% ^(A)	>50%	75%	>50%
— 15 percent of the benchmark (policy requires 100 percent of time within 15 percent)				New for FY 2003-04	100%
3. Cost per payroll check issued (cost of payroll operation to total paychecks issued)	<\$11.00	\$10.92	<\$11.00	\$9.28	<\$11.00
4. Percent of reissued payroll checks versus total issued	<2%	0.5%	<2%	0.27%	<2%
5. Payroll checks issued	20,000	22,067	20,000	21,867	20,000
6. Percent utility bills processed and mailed seven days from last meter reading date	>95%	100%	>95%	100%	>95%

FINANCE AND ADMINISTRATIVE SERVICES

DEPARTMENT SUMMARY

	2001-02 Target	2001-02 Actual	2002-03 Target	2002-03 Actual	2003-04 Target
7. Percent of utility accounts and accounts receivable written off as a percent of total receivables	<3%	0.02%	<3%	0.13%	<3%
Accounting:					
8. Percent of correcting accounting entries to total accounting entries	<20%	13.91%	<20%	13%	<20%
9. Percent of month-end closes completed within 10 working days (target assumes July and June will not close within 10 working days due to year-end workload)	>83%	83%	>83%	83%	>83%
10. Cost per vendor check issued	<\$17.75	\$18.40	<\$20.00 ^(B)	\$20.57 ^(C)	Discontinued (See M 11)
11. Cost of Accounts Payable processing as a percent of total dollars spent				New for FY 2003-04	<1%
Administrative Services:					
12. Cost of procurement services as a percent of total dollars spent	<4%	3.4%	<4%	3.1%	<4%
13. Percent of time purchase orders issued timely	>75%	89%	>75%	86%	>75%
14. Cost of information services as a percent of total City department expenditures	<3%	2%	<3%	1.9%	<3%
15. Percent of time network is up	>98%	99%	>98%	99%	>98%
16. Percent of time Document Processing documents are completed timely	>90%	100%	>90%	99%	>90%
17. Percent of time Copy Center documents are completed timely	>90%	99%	>90%	99%	>90%
Risk Management:					
18. Percent of Workers' Compensation program costs to total payroll	<5%	2.24%	<5%	3.03%	<5%
19. Percent of hours lost to occupational injury compared to total hours worked	<1.5%	0.87%	<1.5%	0.76%	<1.5%
20. Percent of dollars recovered compared to expenditures paid to repair damage due to third-party vehicle accidents	100%	100%	100%	100%	100%

^(A) In April and May, the City's portfolio duration was within 5 percent of benchmark.

^(B) Target increased due to increased usage in purchasing cards resulting in fewer checks being issued. Department will review this measure during the next fiscal year.

^(C) Number of checks issued declined at a greater-than-anticipated rate due to economic conditions and spending controls.

**FINANCE AND ADMINISTRATIVE SERVICES
DEPARTMENT SUMMARY**

POSITIONS	2001-02 ADJUSTED	2002-03 ADOPTED	2003-04 ADOPTED
Finance and Administrative Svcs Director	1	1	1
Assistant Finance and Admin Svcs Director	1	1	1
Administrative Services Manager	1	1	1
Risk Manager	1	1	1
Accounting Officer	1	1	1
Principal Financial Analyst	2	2	2
Investment Officer	1	1	1
Revenue Manager	1	1	0 *4
Senior Systems Analyst	2	2	2
Senior Accountant	1	1	1
Web Site Coordinator	0	0	1 *5
Administrative Analyst I/II	1.50	1.50	1.50
Accountant I/II	2	2	2
Supervising Buyer	1	1	1
Document Processing Supervisor	2	2	2
Assistant Buyer/Buyer	1.50	1.50	1.50
Systems Coordinator/Technician	0.50	0.50	0.50
Systems Administrator	0.50	0.50	0.50
Program Assistant	1	1 *2	0 *2
Accounting Technician	4	4	3.50 *4
Account Clerk I/II	4	4	4
Document Processing Technician III	2	2	2
Document Processing Technician I/II	3	2 *3	2
Warehouse Worker	0.50	0.50	0.50
Executive Assistant	1	1	1
Copy Center Technician	1	1	1
Copy Center Assistant	0.50	0.50	0.50
Customer Service Representative	2	2	2
Office Assistant III	1	1	1
Total Permanent	41	40	38.50
Total Part-Time Hourly	0.29	0.29	0.29
TOTAL POSITIONS	41.29 *1	40.29 *1	38.79 *6

*1 In addition, there are thirteen positions provided by contract.

*2 Unfunded .50 Program Assistant position for FY 2002-03 and eliminated entire position in FY 2003-04.

*3 Eliminated one Document Processing Technician I/II position.

*4 Eliminated the Revenue Manager position and .50 of an Accounting Technician position.

*5 Transferred the Web Site Coordinator position from the City Manager's Office.

*6 In addition, there are eleven positions provided by contract.

**FINANCE AND ADMINISTRATIVE SERVICES
DEPARTMENT SUMMARY**

<u>DEPARTMENT PROGRAMS</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Finance and Admin. Services Admin.	\$ 825,766	892,069	893,731
Financial Management	1,117,253	1,281,744	1,113,204
Accounting	483,873	517,422	535,192
Administrative Services	3,693,517	3,860,725	3,684,375
Risk Management	2,385,898	3,100,235	3,345,967
	<u>\$ 8,506,307</u>	<u>9,652,195</u>	<u>9,572,469</u>
<u>EXPENDITURE SUMMARY</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Salaries Wages and Benefits	\$ 3,372,362	3,804,998	3,728,654
Supplies and Other Services	5,116,422	5,787,297	5,825,215
Capital Outlay	5,365	42,000	0
Interfund Expenditures	12,158	17,900	18,600
TOTAL EXPENDITURES	<u>\$ 8,506,307</u>	<u>9,652,195</u>	<u>9,572,469</u>
<u>FUNDING SOURCES</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
General Operating Fund	\$ 6,191,297	6,673,663	6,151,202
General Fund Reserve	0	0	20,000
Water	110,451	124,862	290,467
Workers Compensation Insurance	1,444,996	1,768,080	1,658,000
Unemployment Self-Insurance	21,385	67,250	67,250
Liability Self-Insurance	738,178	1,018,340	1,385,550
TOTAL FUNDING	<u>\$ 8,506,307</u>	<u>9,652,195</u>	<u>9,572,469</u>
<u>REVENUE SUMMARY</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Miscellaneous Revenue	\$ 87,858	5,000	5,000
Interfund Revenue Transfers	80,217	77,902	0
TOTAL REVENUES	<u>\$ 168,075</u>	<u>82,902</u>	<u>5,000</u>

FINANCE AND ADMINISTRATIVE SERVICES—ADMINISTRATION

PROGRAM SUMMARY

PROGRAM MANAGER—FINANCE AND ADMINISTRATIVE SERVICES DIRECTOR

PROGRAM MISSION STATEMENT

To plan, manage and direct the operations of the Finance and Administrative Services Department.

PROGRAM FUNCTIONS

- Plan, monitor and report in a timely and accurate manner the City's financial and budgetary position; provide financial analysis and recommendations on major issues facing the City.
- Manage the provision of centralized financial and administrative services and establish the goals, objectives and priorities of the department consistent with those of the City Council and City Manager.
- Provide analytical support and long-range financial planning to the City Council, City Manager's Office and other departments.
- Recommend and oversee administration of City financial policies.
- Direct the City's revenue and lessee audit program and resolution of audit findings.
- Represent City interests to rating agencies, financial service providers and other outside parties.
- Oversee the City's portfolio management program, assuring policy compliance in all aspects.
- Provide leadership in the continuous effort to improve the quality of services provided by the department.
- Represent the department and coordinate inter- and intradepartment communications and projects.
- Oversee the development, operation and provision of information systems in a manner consistent with the City's goals and priorities.
- Coordinate with outside auditors performing independent audits of financial transactions.

FINANCE AND ADMINISTRATIVE SERVICES—ADMINISTRATION

PROGRAM SUMMARY

MAJOR PROGRAM GOALS/STRATEGIES FOR FISCAL YEAR 2003-04

- Coordinate and manage preparation of Fiscal Year 2003-04 City Operating Budget.
- Complete financing plan for the California/Bryant Parking Structure, including issuance of long-term debt.
- Complete implementation of financing plan for water system storage capacity expansion and other improvements by issuing debt as appropriate.
- Closely monitor and report on developments at the State and local level affecting City finances and the status of revenue collections during the fiscal year, and implement any follow-up actions necessary.
- In conjunction with the Employee Services Department, implement Phase II of the new HR/Payroll system.
- Manage adjustments to department operations in response to budget reductions.
- Complete the Shoreline Community long-term financial plan and service agreement between the City of Mountain View and the Shoreline Regional Park Community.
- Participate in the evaluation and review of hotel/conference proposals for the Charleston East site.

MAJOR PROGRAM CHANGES

- General Operating Fund:

Contribution for Pop Warner Cheerleaders (\$5,000)

Eliminates contribution to Mountain View Pop Warner for travel expenses to National Championship. *Eliminates funding to organization for travel expenses.*

Miscellaneous Increase \$1,900

Provides for a cost-of-living increase for the City membership in the Community Health Awareness Council (CHAC). *Maintains desired level of service.*

SN/BUD
LHP-541-02^

**FINANCE AND ADMINISTRATIVE SERVICES - ADMINISTRATION
PROGRAM SUMMARY**

<u>POSITIONS</u>	<u>2001-02 ADJUSTED</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Finance and Administrative Svcs Director	1	1	1
Assistant Finance and Admin Svcs Director	1	1	1
Executive Assistant	1	1	1
Total Permanent	3	3	3
Total Part-Time Hourly	0	0	0
TOTAL POSITIONS	3	3	3

<u>EXPENDITURE SUMMARY</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Salaries Wages and Benefits	\$ 426,712	457,009	461,771
Supplies and Other Services	399,054	435,060	431,960
Capital Outlay	0	0	0
Interfund Expenditures	0	0	0
TOTAL EXPENDITURES	\$ 825,766	892,069	893,731

<u>REVENUE SUMMARY</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Miscellaneous Revenue	\$ 243	0	0
Interfund Revenue Transfers	4,777	0	0
TOTAL REVENUES	\$ 5,020	0	0

**FINANCE AND ADMINISTRATIVE SERVICES - ADMINISTRATION
PROGRAM SUMMARY**

DETAILED EXPENDITURES

<u>PERSONNEL</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Salaries	\$ 371,748	395,639	395,592
Wages	498	0	0
Benefits	54,466	61,370	66,179
	<u>\$ 426,712</u>	<u>457,009</u>	<u>461,771</u>
<u>SUPPLIES AND SERVICES</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Materials and Supplies	\$ 20,055	20,270	20,270
Maintenance and Operations	0	0	0
Utilities	145	1,200	1,200
Professional/Technical Svcs	95,218	116,300	116,300
Other Expenses	283,636	297,290	294,190 *2
	<u>\$ 399,054</u>	<u>435,060 *1</u>	<u>431,960</u>

*1 Includes decreased funding of \$3,500 for miscellaneous maintenance, contracts, and training.

*2 Includes increased funding of \$1,900 for Community Health Awareness Council nonprofit agency and decreased funding of \$5,000 for contributions to Pop Warner cheerleaders.

FINANCE AND ADMINISTRATIVE SERVICES—FINANCIAL MANAGEMENT PROGRAM SUMMARY

PROGRAM MANAGER—ASSISTANT FINANCE AND ADMINISTRATIVE SERVICES DIRECTOR

PROGRAM MISSION STATEMENT

To provide financial analysis support; manage the City's financial resources; process timely and accurate payroll, utility billings and provide quality customer service.

PROGRAM FUNCTIONS

- Manage the City budget process and produce the annual City budget.
- Manage investment of City funds with the objectives of meeting cash flow requirements and minimizing risk while earning market rates of return.
- Manage the City's debt obligations, including special assessment debt; recommend and supervise issuance of new debt as appropriate.
- Provide timely, accurate and cost-efficient payroll processing.
- Process and collect charges for utility and miscellaneous services, providing a high level of accuracy and customer service to residents and businesses.
- Forecast, monitor and report financial trends and developments.
- Provide analytical support to other departments.
- Monitor and review fees for City services.
- Manage public counter, cashiering functions and the processing of all City revenues.
- Issue business licenses and administer the City's business license ordinance.

MAJOR PROGRAM GOALS/STRATEGIES FOR FISCAL YEAR 2003-04

- Prepare the Fiscal Year 2004-05 City Operating Budget.
- Implement Phase II of the new HR/Payroll system.
- Complete the California/Bryant downtown parking structure bond financing.

FINANCE AND ADMINISTRATIVE SERVICES—FINANCIAL MANAGEMENT PROGRAM SUMMARY

MAJOR PROGRAM CHANGES

- General Operating Fund:

Reorganization of Revenue and Treasury Operations (\$136,000)

- Eliminates the Revenue Manager position and consolidates the Revenue, Payroll and Treasury operations to be supervised by the Investment Officer/Senior Administrative Analyst. This proposal may require the reclassification of another position in the Revenue Section to provide continuous supervision of the revenue function. This is a common organizational structure in many agencies. *Increases the functions supervised by the Investment Officer and may diminish the department's capacity for analytical projects.*

- Eliminates .50 Accounting Technician which has been vacant for the past two years. This one-half position has been kept open until the implementation of the new Human Resources/Payroll system was completed as it was unknown if there would be an increase in workload for payroll staff. The system has been implemented, and it appears this one-half position can now be eliminated. *No service level impact anticipated.*

Professional Services (\$80,000)

Reduces outside professional services for banking and payroll services. With the implementation of the new Human Resources/Payroll in-house system, the fees previously paid for outside payroll processing can be eliminated. *No service level impact.*

- General Fund Reserve:

Cost Allocation/Overhead Plan (one-time expenditure) \$15,000

Provides one-time funding to update the City's overhead allocation plan. *Updates overhead charges between funds and for the fee schedule.*

SN/BUD
LHP-541-03^

**FINANCE AND ADMINISTRATIVE SERVICES - FINANCIAL MANAGEMENT
PROGRAM SUMMARY**

<u>POSITIONS</u>	<u>2001-02 ADJUSTED</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Principal Financial Analyst	2	2	2
Investment Officer	1	1	1
Revenue Manager	1	1	0 *
Administrative Analyst I/II	0.50	0.50	0.50
Accountant I/II	1	1	1
Accounting Technician	3	3	2.50 *
Account Clerk I/II	2	2	2
Customer Service Representative	2	2	2
Total Permanent	12.50	12.50	11
Total Part-Time Hourly	0	0	0
TOTAL POSITIONS	12.50	12.50	11

* Eliminated the Revenue Manager position and .50 of an Accounting Technician position.

<u>EXPENDITURE SUMMARY</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Salaries Wages and Benefits	\$ 920,798	1,032,484	937,944
Supplies and Other Services	196,455	240,260	175,260
Capital Outlay	0	9,000	0
Interfund Expenditures	0	0	0
TOTAL EXPENDITURES	\$ 1,117,253	1,281,744	1,113,204

<u>REVENUE SUMMARY</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Miscellaneous Revenue	\$ 14	0	0
Interfund Revenue Transfers	75,440	77,902	0
TOTAL REVENUES	\$ 75,454	77,902	0

**FINANCE AND ADMINISTRATIVE SERVICES - FINANCIAL MANAGEMENT
PROGRAM SUMMARY**

DETAILED EXPENDITURES

<u>PERSONNEL</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Salaries	\$ 739,813	844,766	750,132
Wages	26,219	900	900
Benefits	154,766	186,818	186,912
	<u>\$ 920,798</u>	<u>1,032,484</u>	<u>937,944</u>
<u>SUPPLIES AND SERVICES</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Materials and Supplies	\$ 63,150	67,220 *1	67,220
Maintenance and Operations	4,300	4,050	4,050
Utilities	0	0	0
Professional/Technical Svcs	124,428	161,412 *2	81,412 *3
Other Expenses	4,577	7,578 *1	22,578 *4
	<u>\$ 196,455</u>	<u>240,260</u>	<u>175,260</u>

*1 Includes decreased funding of \$3,900 for miscellaneous supplies and training.

*2 Includes decreased funding of \$56,300 for miscellaneous contract services including arbitrage services and hotel audit.

*3 Includes decreased funding of \$80,000 for professional services.

*4 Includes one-time funding of \$15,000 for the cost allocation/A-87 plan update.

NOTES

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FINANCE AND ADMINISTRATIVE SERVICES—ACCOUNTING PROGRAM SUMMARY

PROGRAM MANAGER—ACCOUNTING OFFICER

PROGRAM MISSION STATEMENT

To maintain the integrity and operations of the accounting system and related processes.

PROGRAM FUNCTIONS

- Manage the City's centralized financial and budgetary control systems, delivering accurate and timely processing of financial transactions and on-time information.
- Assist with the City's annual independent audit; and prepare the Comprehensive Annual Financial Report, required State reports and other reports as necessary.
- Process accounts payable and fixed asset information timely and accurately.
- Report in a timely and accurate manner City departments' financial position and provide training to departments to access and input information in the financial system.

MAJOR PROGRAM GOALS/STRATEGIES FOR FISCAL YEAR 2003-04

- Continue to improve on the preparation of the City's Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2002-03 in compliance with new governmental accounting standards (GASB 34).
- Assist with the implementation of the web-based financial system upgrade and Phase II of the new HR/Payroll system.
- Continue the expansion of features and the training of departments on the City's financial system.

SN/BUD
LHP-541-04^

**FINANCE AND ADMINISTRATIVE SERVICES - ACCOUNTING
PROGRAM SUMMARY**

<u>POSITIONS</u>	<u>2001-02 ADJUSTED</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Accounting Officer	1	1	1
Senior Accountant	1	1	1
Accountant I/II	1	1	1
Accounting Technician	1	1	1
Account Clerk I/II	2	2	2
Total Permanent	6	6	6
Total Part-Time Hourly	0	0	0
TOTAL POSITIONS	6 *	6 *	6 *

* In addition, there is one-half Accounting Technician position budgeted in the Community Services Department, but located in the Accounting Division.

<u>EXPENDITURE SUMMARY</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Salaries Wages and Benefits	\$ 477,006	507,077	525,847
Supplies and Other Services	6,867	9,345	9,345
Capital Outlay	0	1,000	0
Interfund Expenditures	0	0	0
TOTAL EXPENDITURES	\$ 483,873	517,422	535,192

**FINANCE AND ADMINISTRATIVE SERVICES - ACCOUNTING
PROGRAM SUMMARY**

DETAILED EXPENDITURES

<u>PERSONNEL</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Salaries	\$ 398,155	418,244	427,523
Wages	0	0 *	0
Benefits	78,851	88,833	98,324
	<u>\$ 477,006</u>	<u>507,077</u>	<u>525,847</u>

* Includes decreased funding of \$3,500 for temporary help.

<u>SUPPLIES AND SERVICES</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Materials and Supplies	\$ 2,717	4,295 *1	4,295
Maintenance and Operations	1,254	1,200	1,200
Utilities	0	0	0
Professional/Technical Svcs	0	0 *1	0
Other Expenses	2,896	3,850	3,850
	<u>\$ 6,867</u>	<u>9,345</u>	<u>9,345</u>

*1 Includes decreased funding of \$1,600 for miscellaneous supplies and professional services.

FINANCE AND ADMINISTRATIVE SERVICES—ADMINISTRATIVE SERVICES PROGRAM SUMMARY

PROGRAM MANAGER—ADMINISTRATIVE SERVICES MANAGER

PROGRAM MISSION STATEMENT

To provide integrated procurement, information technology, document processing and other organizational support services.

PROGRAM FUNCTIONS

- Provide centralized purchasing services and sale of surplus equipment.
- Manage and support the planning, development, operation and enhancement of information systems, providing a reliable City-wide network, electronic mail, public access, City Internet web site, microcomputer support and technical support of computer applications in City departments.
- Provide centralized document processing, document reproduction and voice mail services.
- Obtain timely delivery of price-competitive equipment, supplies and services; capitalize on quantity discounts and reduce paperwork by aggregating like purchases and services.
- Provide centralized storage of high-use supplies and surplus property; provide storage for other departments; and provide inter-building delivery of mail and supplies.
- Advise City departments on specifications and purchasing decisions; provide training on proper purchasing procedures; and solicit customer feedback to constantly improve procurement processes.
- Coordinate computer training programs.
- Coordinate cost-effective telephone services including long distance service, voice mail applications and cellular phone service.
- Manage City Hall security and janitorial services.

MAJOR PROGRAM GOALS/STRATEGIES FOR FISCAL YEAR 2003-04

- Support the implementation of Phase II of the new HR/Payroll system.
- Review the City's procurement card program and implement necessary changes to assure maximum efficiencies and savings.
- Manage the purchase and installation of hardware and software to best manage the City's electronic data and the backing up of such data.
- Participate in the replacement of the City's Police/Fire Computer-Aided Records Management System and Community Services Golf Course System.

FINANCE AND ADMINISTRATIVE SERVICES—ADMINISTRATIVE SERVICES PROGRAM SUMMARY

- Install replacement document imaging system providing easier public access to City documents with enhanced Internet functionality.

MAJOR PROGRAM CHANGES

- General Operating Fund:

Information Services Operations (\$275,000)

Reduces funding for the information services contract provider, ACS. The ACS contract expired on June 30, 2003. Staff has negotiated a significant cost reduction based on an extension of the contract for three years, the elimination of two vacant ACS positions. The normal COLA of \$60,000 will be avoided for Fiscal Year 2003-04 in addition to the \$275,000 cost reduction. *Reduces support for new system implementation; however, new system development not already in process is suspended for Fiscal Year 2003-04. Other impacts in desktop support should not be significant.*

Program Support (\$36,800)

Reduces budget for the remaining .50 of a Program Assistant position in the Administrative Services Division. One-half was unfunded in the Fiscal Year 2002-03 budget. *Increases workload of other staff.*

Miscellaneous Ongoing Increases \$5,400

Provides for increased cost of annual software maintenance for the Performing Arts ticketing system and the new CLASS recreation system. *Maintains desired level of service.*

- General Fund Reserve:

Web Site Consulting (one-time expenditure) \$5,000

Provides one-time funding for outside consulting for the City's web site. *Provides resources to assist with the City's web site.*

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**FINANCE AND ADMINISTRATIVE SERVICES - ADMINISTRATIVE SERVICES
PROGRAM SUMMARY**

POSITIONS	2001-02 ADJUSTED	2002-03 ADOPTED	2003-04 ADOPTED
Administrative Services Manager	1	1	1
Supervising Buyer	1	1	1
Assistant Buyer/Buyer	1.50	1.50	1.50
Senior Systems Analyst	2	2	2
Web Site Coordinator	0	0	1 *4
Systems Coordinator/Technician	0.50	0.50	0.50
Systems Administrator	0.50	0.50	0.50
Program Assistant	1	1 *2	0 *2
Document Processing Supervisor	2	2	2
Document Processing Technician III	2	2	2
Document Processing Technician I/II	3	2 *3	2
Warehouse Worker	0.50	0.50	0.50
Copy Center Technician	1	1	1
Copy Center Assistant	0.50	0.50	0.50
Office Assistant III	1	1	1
Total Permanent	17.50	16.50	16.50
Total Part-Time Hourly	0.29	0.29	0.29
TOTAL POSITIONS	17.79 *1	16.79 *1	16.79 *5

*1 In addition, there are thirteen positions provided by contract.

*2 Unfunded .50 Program Assistant position for FY 2002-03 and eliminated entire position in FY 2003-04.

*3 Eliminated one Document Processing Technician I/II position.

*4 Transferred the Web Site Coordinator position from the City Manager's Office.

*5 In addition, there are eleven positions provided by contract.

EXPENDITURE SUMMARY	2001-02 ACTUAL	2002-03 ADOPTED	2003-04 ADOPTED
Salaries Wages and Benefits	\$ 1,218,558	1,374,193	1,480,255
Supplies and Other Services	2,457,436	2,436,632	2,185,520
Capital Outlay	5,365	32,000	0
Interfund Expenditures	12,158	17,900	18,600
TOTAL EXPENDITURES	\$ 3,693,517	3,860,725	3,684,375

REVENUE SUMMARY	2001-02 ACTUAL	2002-03 ADOPTED	2003-04 ADOPTED
Miscellaneous Revenue	\$ 47,556	5,000	5,000
TOTAL REVENUES	\$ 47,556	5,000	5,000

**FINANCE AND ADMINISTRATIVE SERVICES - ADMINISTRATIVE SERVICES
PROGRAM SUMMARY**

DETAILED EXPENDITURES

<u>PERSONNEL</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Salaries	\$ 996,206	1,113,319	1,193,104
Wages	28,126	18,852 *	18,164
Benefits	194,226	242,022	268,987
	<u>\$ 1,218,558</u>	<u>1,374,193</u>	<u>1,480,255</u>

* Includes decreased funding of \$3,000 for temporary help.

<u>SUPPLIES AND SERVICES</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Materials and Supplies	\$ 88,695	77,850	68,765
Maintenance and Operations	325,020	344,700 *1	363,763 *4
Utilities	233,520	282,362	258,062
Professional/Technical Svcs	1,686,982	1,562,500 *2	1,351,250 *5
Other Expenses	123,219	169,220 *3	143,680 *6
	<u>\$ 2,457,436</u>	<u>2,436,632</u>	<u>2,185,520</u>

*1 Includes funding of \$22,000 for maintenance of the new maintenance management system and increase funding of \$4,000 security system maintenance.

*2 Includes increased funding of \$71,000 for cost of living for the information services contract and decreased funding of \$8,000 for graphic design services.

*3 Includes decreased funding of \$15,000 for City-wide computer training.

*4 Includes increased funding of \$5,400 for software maintenance.

*5 Includes decreased funding of \$275,000 for the Information Services contract.

*6 Includes one-time funding of \$5,000 for web-site assistance.

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FINANCE AND ADMINISTRATIVE SERVICES—RISK MANAGEMENT PROGRAM SUMMARY

PROGRAM MANAGER—RISK MANAGER

PROGRAM MISSION STATEMENT

To manage and minimize the City's exposure to accidental loss.

PROGRAM FUNCTIONS

- Manage the City's comprehensive general liability, property, loss control, Workers' Compensation, long-term disability and unemployment insurance programs, including self-insurance programs and excess insurance for catastrophic loss coverage.

MAJOR PROGRAM GOALS/STRATEGIES FOR FISCAL YEAR 2003-04

- Implement program changes in response to reduced staffing levels.
- Investigate strategies to mitigate rising insurance costs in each area of the insurance program.
- Oversee and manage City-wide ergonomic program.

MAJOR PROGRAM CHANGES

- Workers' Compensation Fund:

Workers' Compensation Safety Backfill

(\$100,000)

Historically, \$200,000 has been budgeted annually in the Workers' Compensation program to backfill injured safety personnel not expected to return to duty; however, no more than \$100,000 has ever been spent for this purpose. There are generally salary savings or funded overhire positions in the line department that should be sufficient to maintain safety staffing levels. *No significant service level impact anticipated.*

- Liability Self-Insurance Fund:

Earthquake Insurance

\$190,000

Preliminary insurance quotes indicate costs will rise \$190,000 to a total \$489,000. Earthquake insurance is required in outstanding bond covenants. Staff is working with bond counsel to evaluate alternatives to purchasing insurance, but this increase may be unavoidable.

Authority for California Cities Excess Liability (ACCEL) Insurance

\$177,000

Premium increases for excess liability insurance over \$1 million self-insured retention, property, flood, mobile equipment and boiler/machinery insurances.

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**FINANCE AND ADMINISTRATIVE SERVICES - RISK MANAGEMENT
PROGRAM SUMMARY**

<u>POSITIONS</u>	<u>2001-02 ADJUSTED</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Risk Manager	1	1	1
Administrative Analyst I/II	1	1	1
Total Permanent	2	2	2
Total Part-Time Hourly	0	0	0
TOTAL POSITIONS	<u>2</u>	<u>2</u>	<u>2</u>

<u>EXPENDITURE SUMMARY</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Salaries Wages and Benefits	\$ 329,288	434,235 *1	322,837 *2
Supplies and Other Services	2,056,610	2,666,000	3,023,130
Capital Outlay	0	0	0
Interfund Expenditures	0	0	0
TOTAL EXPENDITURES	<u>\$ 2,385,898</u>	<u>3,100,235</u>	<u>3,345,967</u>

*1 Includes \$200,000 for workers' compensation claims.

*2 Includes \$100,000 for workers' compensation claims.

<u>REVENUE SUMMARY</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Miscellaneous Revenue	\$ 40,045	0	0
TOTAL REVENUES	<u>\$ 40,045</u>	<u>0</u>	<u>0</u>

**FINANCE AND ADMINISTRATIVE SERVICES - RISK MANAGEMENT
PROGRAM SUMMARY**

DETAILED EXPENDITURES

<u>PERSONNEL</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Salaries	\$ 261,517	388,750 *1	282,964 *2
Wages	3,509	1,500	1,500
Benefits	64,262	43,985	38,373
	<u>\$ 329,288</u>	<u>434,235</u>	<u>322,837</u>

*1 Includes \$200,000 for workers' compensation claims.

*2 Includes \$100,000 for workers' compensation claims.

<u>SUPPLIES AND SERVICES</u>	<u>2001-02 ACTUAL</u>	<u>2002-03 ADOPTED</u>	<u>2003-04 ADOPTED</u>
Materials and Supplies	\$ 3,626	5,000	5,000
Maintenance and Operations	0	0	0
Utilities	0	0	0
Professional/Technical Svcs	294,234	393,550	372,550
Other Expenses	1,758,750	2,267,450 *1	2,645,580 *2
	<u>\$ 2,056,610</u>	<u>2,666,000</u>	<u>3,023,130</u>

*1 Includes increased fundings of \$112,000 for workers compensation excess insurance, \$95,600 for property, earthquake and flood insurance costs, and \$11,800 for ACCEL liability insurance costs. Includes rebudget of the Ergonomics Program balance of \$110,000.

*2 Includes increased fundings of \$190,000 for earthquake insurance and \$177,000 for ACCEL liability insurance costs. Includes rebudget of the Ergonomics Program estimated balance of \$100,000.

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